



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING December 31, 2001
of the Condition and Affairs of the

Molina Healthcare of Michigan, Inc.

NAIC Group Code..... 1531, 1531 NAIC Company Code..... 52630 Employer's ID Number..... 38-3341599
(Current Period) (Prior Period)

Organized under the Laws of Michigan State of Domicile or Port of Entry Michigan

Country of Domicile Un

Licensed as Business Type Life, Accident & Health[] Property/Casualty [] Health Service Corporation []
Dental Service Corporation [] Vision Service Corporation [] Other []
Health Maintenance Organization [X] Is HMO Federally Qualified? Yes [] No [X]

Date Incorporated or Organized..... February 10, 1997 Date Commenced Business..... January 1, 1998

Statutory Home Office 100 West Big Beaver, Suite 600..... Troy MI 48084-5209
(Street and Number) (City or Town, State and Zip Code)
Address of Main Administrative Office 100 West Big Beaver, Suite 600..... Troy MI 48084-5209 248-925-1700
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)
Mail Address 100 West Big Beaver, Suite 600..... Troy MI 48084-5209
(Street and Number or P. O. Box) (City or Town, State and Zip Code)
Primary Location of Books and Records 100 West Big Beaver, Suite 600..... Troy MI 48084-5209 248-925-1700
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)
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OFFICERS

President Roman T Kulich # Treasurer Michael Tegler
Secretary Mark L Andrews #

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Joseph M Molina MD George S Goldstein John C Molina Mark Andrews
John Jamian Ronna Romney Dean G Smith MD Patricia A McKenzie
Kathryn F Crawford Sharon Marzicola Roman T Kulich # Terri Griffen #

State of..... Michigan
County of..... Oakland

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature) (Signature) (Signature)
Roman T Kulich Mark L Andrews Michael Tegler
(Printed Name) (Printed Name) (Printed Name)
President Secretary Treasurer

Subscribed and sworn to before me this

.....day of, 2002
.....

- a. Is this an original filing? Yes [X] No []
b. If no: 1. State the amendment number.....
2. Date filed.....
3. Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1. Bonds.....			0	
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			(a).....0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....12,797,911, Schedule E, Part 1) and short-term investments (\$.....1,250,170, Schedule DA, Part 2).....	14,048,081		14,048,081	6,711,889
6. Other long-term invested assets.....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	0	0	0	0
9. Subtotal cash and invested assets (Lines 1 to 8).....	14,048,081	0	14,048,081	6,711,889
10. Accident and health premiums due and unpaid.....	2,731,308		2,731,308	3,392,353
11. Health care receivables.....	629,808	63,951	565,857	737,024
12. Amounts recoverable from reinsurers.....			0	
13. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
14. Investment income due and accrued.....	2,577		2,577	
15. Amounts due from parent, subsidiaries and affiliates.....			0	808,542
16. Amounts receivable relating to uninsured accident and health plans.....			0	
17. Furniture and equipment.....	66,891		66,891	574,061
18. Amounts due from agents.....			0	
19. Federal and foreign income tax recoverable and interest thereon (including \$.....0 net deferred tax asset).....	213,564	213,564	0	
20. Electronic data processing equipment and software.....			0	
21. Other nonadmitted assets.....			0	
22. Aggregate write-ins for other than invested assets.....	3,993,356	3,962,691	30,665	36,584
23. Total assets (Lines 9 plus 10 through 22).....	21,685,585	4,240,206	17,445,379	12,260,453

DETAILS OF WRITE-INS

0801.			0	
0802.			0	
0803.			0	
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	0	0	0	0
2201. Prepaid Expenses.....	39,259	39,259	0	
2202. Other Receivable.....			0	1,000
2203. Leasehold Improvements, Net.....	30,665		30,665	35,584
2298. Summary of remaining write-ins for Line 22 from overflow page.....	3,923,432	3,923,432	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above).....	3,993,356	3,962,691	30,665	36,584

(a) \$.....0 health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	9,530,324		9,530,324	8,457,769
2. Accrued medical incentive pool and bonus payments.....	483,167		483,167	203,167
3. Unpaid claims adjustment expenses.....			0	
4. Aggregate policy reserves.....			0	
5. Aggregate claim reserves.....			0	
6. Premiums received in advance.....			0	
7. General expenses due or accrued.....	470,768		470,768	497,846
8. Federal and foreign income tax payable and interest thereon (including \$.....0 (on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....	570,327		570,327	
9. Amounts withheld or retained by company for the account of others.....			0	
10. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
11. Amounts due to parent, subsidiaries and affiliates.....	433,403		433,403	241,007
12. Payable for securities.....			0	
13. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
14. Reinsurance in unauthorized companies.....			0	
15. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
16. Liability for amounts held under uninsured accident and health plans.....			0	
17. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
18. Total liabilities (Lines 1 to 17).....	11,487,989	0	11,487,989	9,399,789
19. Common capital stock.....	XXX	XXX	159,000	159,000
20. Preferred capital stock.....	XXX	XXX		
21. Gross paid in and contributed surplus.....	XXX	XXX	8,255,029	6,098,912
22. Surplus notes.....	XXX	XXX		
23. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
24. Unassigned funds (surplus).....	XXX	XXX	(2,456,639)	(3,397,248)
25. Less treasury stock, at cost:				
25.1 .....0.000 shares common (value included in Line 19 \$.....0).....	XXX	XXX		
25.2 .....0.000 shares preferred (value included in Line 20 \$.....0).....	XXX	XXX		
26. Total capital and surplus (Lines 19 to 25).....	XXX	XXX	5,957,390	2,860,664
27. Total liabilities, capital and surplus (Lines 18 and 26).....	XXX	XXX	17,445,379	12,260,453

DETAILS OF WRITE-INS

1701.			0	
1702.			0	
1703.			0	
1798. Summary of remaining write-ins for Line 17 from overflow page.....	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above).....	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
1. Member months.....	XXX	294,802	271,336
2. Net premium income.....	XXX	43,345,256	32,218,976
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Total revenues (Lines 2 to 6).....	XXX	43,345,256	32,218,976
Medical and Hospital:			
8. Hospital/medical benefits.....		18,992,738	13,093,801
9. Other professional services.....		562,424	688,671
10. Outside referrals.....		5,726,286	6,903,834
11. Emergency room and out-of-area.....		2,333,559	
12. Aggregate write-ins for other medical and hospital.....0		8,066,099	7,088,527
13. Incentive pool and withhold adjustments.....		280,000	(323,422)
14. Subtotal (Lines 8 to 13).....0		35,961,106	27,451,411
Less:			
15. Net reinsurance recoveries.....		19,162	1,483
16. Total medical and hospital (Lines 14 minus 15).....0		35,941,944	27,449,928
17. Claims adjustment expenses.....		378,612	
18. General administrative expenses.....		5,831,704	5,724,712
19. Increase in reserves for accident and health contracts.....			
20. Total underwriting deductions (Lines 16 through 19).....0		42,152,260	33,174,640
21. Total underwriting gain or (loss) (Lines 7 minus 20).....XXX		1,192,996	(955,664)
22. Net investment income earned.....		352,227	368,762
23. Net realized capital gains or (losses).....			
24. Net investment gains or (losses) (Lines 22 plus 23).....0		352,227	368,762
25. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
26. Aggregate write-ins for other income or expenses.....0		232,766	41,027
27. Net income or (loss) before federal income taxes (Lines 21 plus 24 plus 25 plus 26).....0		1,777,989	(545,875)
28. Federal and foreign income taxes incurred.....XXX		636,300	(129,208)
29. Net income (loss) (Lines 27 minus 28).....XXX		1,141,689	(416,667)

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	0	0
1201. Pharmacy.....		7,563,453	7,042,181
1202. Patient Transportation.....		406,477	
1203. Other Health Care Costs.....		96,169	46,346
1298. Summary of remaining write-ins for Line 12 from overflow page.....0		0	0
1299. Totals (Lines 1201 thru 1203 plus 1298) (Line 12 above).....0		8,066,099	7,088,527
2601. Miscellaneous Income.....		187	27
2602. Rental Income.....		232,579	41,000
2603.			
2698. Summary of remaining write-ins for Line 26 from overflow page.....0		0	0
2699. Totals (Lines 2601 thru 2603 plus 2698) (Line 26 above).....0		232,766	41,027

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
30. Capital and surplus prior reporting year.....	2,860,664	2,574,304
GAINS AND LOSSES TO CAPITAL AND SURPLUS		
31. Net income or (loss) from Line 29.....	1,141,689	(416,667)
32. Change in valuation basis of aggregate policy and claim reserves.....		
33. Net unrealized capital gains and losses.....		
34. Change in net unrealized foreign exchange capital gain or (loss).....		
35. Change in net deferred income tax.....		
36. Change in nonadmitted assets.....	(201,080)	1,107,027
37. Change in unauthorized reinsurance.....		
38. Change in treasury stock.....		
39. Change in surplus notes.....		
40. Cumulative effect of changes in accounting principles.....		
41. Capital Changes:		
41.1 Paid in.....		
41.2 Transferred from surplus (stock dividend).....		
41.3 Transferred to surplus.....		
42. Surplus adjustments:		
42.1 Paid in.....	2,156,117	
42.2 Transferred to capital (stock dividend).....		
42.3 Transferred from capital.....		(404,000)
43. Dividends to stockholders.....		
44. Aggregate write-ins for gains or (losses) in surplus.....	0	0
45. Net change in capital and surplus (Lines 31 to 44).....	3,096,726	286,360
46. Capital and surplus end of reporting year (Line 30 plus 45).....	5,957,390	2,860,664

DETAILS OF WRITE-INS		
4401.		
4402.		
4403.		
4498. Summary of remaining write-ins for Line 44 from overflow page.....	0	0
4499. Totals (Lines 4401 thru 4403 plus 4498) (Line 44 above).....	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums and revenues collected net of reinsurance.....	44,006,301	30,898,119
2. Claims and claims adjustment expenses.....	34,968,001	23,882,014
3. General administrative expenses paid.....	5,858,782	4,864,905
4. Other underwriting income (expenses).....	232,766	
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	3,412,284	2,151,200
6. Net Investment income.....	349,650	368,762
7. Other income (expenses).....	5,919	
8. Federal and foreign income taxes (paid) recovered.....	(65,973)	(280,069)
9. Net cash from operations (Lines 5 to 8).....	3,701,880	2,239,893
CASH FROM INVESTMENTS		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds.....		
10.2 Stocks.....		
10.3 Mortgage loans.....		
10.4 Real estate.....		
10.5 Other invested assets.....		
10.6 Net gains or (losses) on cash and short-term investments.....		
10.7 Miscellaneous proceeds.....		
10.8 Total investment proceeds (Lines 10.1 to 10.7).....	0	0
11. Cost of investments acquired (long-term only):		
11.1 Bonds.....		
11.2 Stocks.....		
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....		275
11.6 Miscellaneous applications.....		666,647
11.7 Total investments acquired (Lines 11.1 to 11.6).....	0	666,922
12. Net cash from investments (Line 10.8 minus Line 11.7).....	0	(666,922)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in.....	2,156,117	
13.2 Net transfers from affiliates.....	1,000,938	
13.3 Borrowed funds received.....		
13.4 Other cash provided.....	678,337	
13.5 Total (Lines 13.1 to 13.4).....	3,835,392	0
14. Cash applied:		
14.1 Dividends to stockholders paid.....		
14.2 Net transfers to affiliates.....		1,588,531
14.3 Borrowed funds repaid.....		
14.4 Other applications.....	201,080	404,000
14.5 Total (Lines 14.1 to 14.4).....	201,080	1,992,531
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5).....	3,634,312	(1,992,531)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15).....	7,336,192	(419,560)
17. Cash and short-term investments:		
17.1 Beginning of year.....	6,711,889	7,131,449
17.2 End of year (Line 16 plus Line 17.1).....	14,048,081	6,711,889

ANALYSIS OF OPERATION BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plans	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
1. Net premium income.....	43,345,256								43,345,256				
2. Change in unearned premium reserves and reserve for rate credit.....	0												
3. Fee-for-service (net of \$.00 medical expenses).....	0												
4. Risk revenue.....	0												
5. Aggregate write-ins for other health care related revenues.....	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Total revenues (Lines 1 to 5).....	43,345,256	0	0	0	0	0	0	0	43,345,256	0	0	0	0
7. Medical/hospital benefits.....	18,992,738								18,992,738				
8. Other professional services.....	562,424								562,424				
9. Outside referrals.....	5,726,286								5,726,286				
10. Emergency room and out-of-area.....	2,333,559								2,333,559				
11. Aggregate write-ins for other medical and hospital.....	8,066,099	0	0	0	0	0	0	0	8,066,099	0	0	0	0
12. Incentive pool and withhold adjustments.....	280,000								280,000				
13. Subtotal (Lines 7 to 12).....	35,961,106	0	0	0	0	0	0	0	35,961,106	0	0	0	0
14. Net reinsurance recoveries.....	19,162								19,162				
15. Total medical and hospital (Lines 13 minus 14).....	35,941,944	0	0	0	0	0	0	0	35,941,944	0	0	0	0
16. Claims adjustment expenses.....	378,612								378,612				
17. General administrative expenses.....	5,831,704								5,831,704				
18. Increase in reserves for accident and health contracts.....	0												
19. Total underwriting deductions (Lines 15 to 18).....	42,152,260	0	0	0	0	0	0	0	42,152,260	0	0	0	0
20. Net underwriting gain or (loss) (Line 6 minus Line 19).....	1,192,996	0	0	0	0	0	0	0	1,192,996	0	0	0	0

DETAILS OF WRITE-INS

0501.	0												
0502.	0												
0503.	0												
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0	0	0	0	0	0	0	0	0	0	0
1101. Pharmacy.....	7,563,453								7,563,453				
1102. Patient Transportation.....	406,477								406,477				
1103. Other Health Care Costs.....	96,169								96,169				
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1199. Total (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	8,066,099	0	0	0	0	0	0	0	8,066,099	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (medical and hospital).....				.....0
2.	Medicare supplement.....				.....0
3.	Dental only.....				.....0
4.	Vision only.....				.....0
5.	Federal employees health benefits plan premiums.....				.....0
6.	Title XVIII - Medicare.....				.....0
7.	Title XIX - Medicaid.....	.....43,615,768		.....270,512	.....43,345,256
8.	Other.....				.....0
9.	Totals.....	.....43,615,768	.....0	.....270,512	.....43,345,256

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct.....	34,608,552							34,608,552	
1.2 Reinsurance assumed.....	0								
1.3 Reinsurance ceded.....	19,162							19,162	
1.4 Net.....	34,589,390	0	0	0	0	0	0	34,589,390	0
2. Paid medical incentive pools and bonuses.....	0								
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct.....	9,530,324							9,530,324	
3.2 Reinsurance assumed.....	0								
3.3 Reinsurance ceded.....	0								
3.4 Net.....	9,530,324	0	0	0	0	0	0	9,530,324	0
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct.....	0								
4.2 Reinsurance assumed.....	0								
4.3 Reinsurance ceded.....	0								
4.4 Net.....	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	483,167							483,167	
6. Amounts recoverable from reinsurers December 31, current year.....	0								
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct.....	8,457,769							8,457,769	
7.2 Reinsurance assumed.....	0								
7.3 Reinsurance ceded.....	0								
7.4 Net.....	8,457,769	0	0	0	0	0	0	8,457,769	0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct.....	0								
8.2 Reinsurance assumed.....	0								
8.3 Reinsurance ceded.....	0								
8.4 Net.....	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year.....	203,167							203,167	
10. Amounts recoverable from reinsurers December 31, prior year.....	0								
11. Incurred benefits:									
11.1 Direct.....	35,681,107	0	0	0	0	0	0	35,681,107	0
11.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded.....	19,162	0	0	0	0	0	0	19,162	0
11.4 Net.....	35,661,945	0	0	0	0	0	0	35,661,945	0
12. Incurred medical incentive pools and bonuses.....	280,000	0	0	0	0	0	0	280,000	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Reported in process of adjustment:									
1.1 Direct.....	2,805,511							2,805,511	
1.2 Reinsurance assumed.....	0								
1.3 Reinsurance ceded.....	0								
1.4 Net.....	2,805,511	0	0	0	0	0	0	2,805,511	0
2. Incurred but unreported:									
2.1 Direct.....	6,724,813							6,724,813	
2.2 Reinsurance assumed.....	0								
2.3 Reinsurance ceded.....	0								
2.4 Net.....	6,724,813	0	0	0	0	0	0	6,724,813	0
3. Amounts withheld from paid claims and capitations:									
3.1 Direct.....	0								
3.2 Reinsurance assumed.....	0								
3.3 Reinsurance ceded.....	0								
3.4 Net.....	0	0	0	0	0	0	0	0	0
4. Totals:									
4.1 Direct.....	9,530,324	0	0	0	0	0	0	9,530,324	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0
4.4 Net.....	9,530,324	0	0	0	0	0	0	9,530,324	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (medical and hospital).....					0	
2. Medicare supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal employees health benefits plan premiums.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....	6,948,591	27,640,799	263,058	9,267,266	7,211,649	8,457,769
8. Other.....					0	
9. Subtotal.....	6,948,591	27,640,799	263,058	9,267,266	7,211,649	8,457,769
10. Medical incentive pools, accruals and disbursements.....			203,167	280,000	203,167	203,167
11. Totals	6,948,591	27,640,799	466,225	9,547,266	7,414,816	8,660,936

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS

(000 Omitted)

SECTION A - GRAND TOTAL

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1997	2 1998	3 1999	4 2000	5 2001
1. Prior.....					
2. 1997.....					
3. 1998.....	XXX				
4. 1999.....	XXX	XXX	13,336,958	4,406,135	507,598
5. 2000.....	XXX	XXX	XXX	10,976,016	6,440,993
6. 2001.....	XXX	XXX	XXX	XXX	27,640,799

12.GT

SECTION B - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1997	2 1998	3 1999	4 2000	5 2001
1. Prior.....					
2. 1997.....					
3. 1998.....	XXX				
4. 1999.....	XXX	XXX	17,614,958	5,232,723	526,003
5. 2000.....	XXX	XXX	XXX	18,810,364	6,685,646
6. 2001.....	XXX	XXX	XXX	XXX	36,908,065

**Underwriting and Investment Ex.-Pt.2C-Sn A-Hospital & Medical
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn B-Hospital & Medical
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn A-Medicare Supplement
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn B-Medicare Supplement
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn A-Dental Only
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn B-Dental Only
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn A-Vision Only
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn B-Vision Only
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn A-Federal Employees Health
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn B-Federal Employees Health
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn A-Title XVIII Medicare
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn B-Title XVIII Medicare
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF INCURRED CLAIMS

(000 Omitted)

SECTION A - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1997	2 1998	3 1999	4 2000	5 2001
1. Prior.....					
2. 1997.....					
3. 1998.....	XXX				
4. 1999.....	XXX	XXX	13,336,958	4,406,135	507,598
5. 2000.....	XXX	XXX	XXX	10,976,016	6,440,993
6. 2001.....	XXX	XXX	XXX	XXX	27,640,799

12.XI

SECTION B - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1997	2 1998	3 1999	4 2000	5 2001
1. Prior.....					
2. 1997.....					
3. 1998.....	XXX				
4. 1999.....	XXX	XXX	17,614,958	5,232,723	526,003
5. 2000.....	XXX	XXX	XXX	18,810,364	6,685,646
6. 2001.....	XXX	XXX	XXX	XXX	36,908,065

**Underwriting and Investment Ex.-Pt.2C-Sn A-Other
NONE**

**Underwriting and Investment Ex.-Pt.2C-Sn B-Other
NONE**

**Underwriting and Investment Ex.-Pt.2D
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	1	2	3	4
	Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$.....0 for occupancy of own building).....		.....136,660		.....136,660
2. Salaries, wages and other benefits.....		.....3,079,814		.....3,079,814
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....				.....0
4. Legal fees and expenses.....				.....0
5. Certifications and accreditation fees.....		.....19,673		.....19,673
6. Auditing, actuarial and other consulting services.....		.....212,645		.....212,645
7. Traveling expenses.....		.....61,960		.....61,960
8. Marketing and advertising.....		.....21,724		.....21,724
9. Postage, express and telephone.....		.....283,455		.....283,455
10. Printing and office supplies.....		.....359,898		.....359,898
11. Occupancy, depreciation and amortization.....		.....505,972		.....505,972
12. Equipment.....		.....21,015		.....21,015
13. Cost or depreciation of EDP equipment and software.....		.....125,000		.....125,000
14. Outsourced services including EDP, claims, and other services.....	.....378,612	.....530,311		.....908,923
15. Boards, bureaus and association fees.....		.....43,026		.....43,026
16. Insurance, except on real estate.....		.....9,004		.....9,004
17. Collection and bank service charges.....		.....46,988		.....46,988
18. Group service and administration fees.....				.....0
19. Reimbursements by uninsured accident and health plans.....				.....0
20. Reimbursements from fiscal intermediaries.....				.....0
21. Real estate expenses.....				.....0
22. Real estate taxes.....				.....0
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes.....		.....40,000		.....40,000
23.2 State premium taxes.....		.....186,989		.....186,989
23.3 Regulatory authority licenses and fees.....				.....0
23.4 Payroll taxes.....				.....0
23.5 Other (excluding federal income and real estate taxes).....		.....4,604		.....4,604
24. Investment expenses not included elsewhere.....				.....0
25. Aggregate write-ins for expenses.....	.....0	.....142,966	.....0	.....142,966
26. Total expenses incurred (Lines 1 to 25).....	.....378,612	.....5,831,704	.....0	(a).....6,210,316
27. Add expenses unpaid December 31, prior year.....		.....497,846		.....497,846
28. Less expenses unpaid December 31, current year.....		.....470,768		.....470,768
29. Amounts receivable relating to uninsured accident and health plans, prior year.....				.....0
30. Amounts receivable relating to uninsured accident and health plans, current year.....				.....0
31. Total expenses paid (Lines 26 plus 27 minus 28 plus 29 minus 30).....	.....378,612	.....5,858,782	.....0	.....6,237,394

DETAILS OF WRITE-INS

2501. Contributions.....		.....1,500		.....1,500
2502. Retirement of Furniture.....		.....141,466		.....141,466
2503. ....				.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0	.....0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....0	.....142,966	.....0	.....142,966

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 4 - INTEREST, DIVIDENDS AND REAL ESTATE INCOME

		1 Collected During Year	Current Year			5 Prior Year Due and Accrued and Unearned	6 Earned During Year (Columns 1 - 2 + 3 + 4 - 5)
			2 Unearned	3 Due and Accrued (g)	4 Foreign Exchange Adjustment		
	Schedule						
1. Government bonds.....	D (a)						.....0
1.1 Other bonds (unaffiliated).....	D (a)						.....0
1.2 Bonds of affiliates.....	D (a)						.....0
2.1 Preferred stocks (unaffiliated).....	D (b)						.....0
2.11 Preferred stocks of affiliates.....	D (b)						.....0
2.2 Common stocks (unaffiliated).....	D						.....0
2.21 Common stocks of affiliates.....	D						.....0
3. Mortgage loans.....	B (c)						.....0
4. Real estate.....	A (d)						.....0
5.1 Cash on hand and on deposit.....	E	.....311,470					.....311,470
5.2 Short-term investments.....	DA (e)	.....48,614		.....2,577			.....51,191
6. Other invested assets.....	BA						.....0
7. Derivative instruments.....	DB (f)						.....0
8. Aggregate write-ins for investment income.....		.....0	.....0	.....0	.....0	.....0	.....0
9. TOTALS.....		.....360,084	.....0	.....2,577	.....0	.....0	.....362,661
						DEDUCTIONS	
10. Total investment expenses incurred (Part 3, Line 26, Column 3).....						(h).....10,434.....0	.....10,434
11. Interest expense.....							
12. Depreciation on real estate.....							
13. Aggregate write-ins for other deductions.....							
14. Total deductions.....							.....10,434
15. Net investment income earned (Line 9 minus Line 14) (to Page 4, Line 22).....							.....352,227

DETAILS OF WRITE-INS							
0801. ....	...XXX...	.....	.....	.....	.....	.....	.....0
0802. ....	...XXX...	.....	.....	.....	.....	.....	.....0
0803. ....	...XXX...	.....	.....	.....	.....	.....	.....0
0898. Summary of remaining write-ins for Line 8 from overflow page..		.....0	.....0	.....0	.....0	.....0	.....0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Part 4, Line 8).....		.....0	.....0	.....0	.....0	.....0	.....0
							DEDUCTIONS
1301. ....		.....	.....	.....	.....	.....
1302. ....		.....	.....	.....	.....	.....
1303. ....		.....	.....	.....	.....	.....
1398. Summary of remaining write-ins for Line 13 from overflow page.....		.....	.....	.....	.....	.....0	
1399. Totals (Lines 1301 thru 1303 plus 1398) (Part 4, Line 13).....		.....	.....	.....	.....	.....0	

- (a) Includes \$.00 accrual of discount less \$.00 amortization of premium.

(b) Includes \$.00 accrual of discount less \$.00 amortization of premium.

(c) Includes \$.00 accrual of discount less \$.00 amortization of premium.

(d) Includes \$.00 for corporation's occupancy of its own buildings.

(e) Includes \$.00 accrual of discount less \$.00 amortization of premium.
- (f) Includes \$.00 accrual of discount less \$.00 amortization of premium.

(g) Admitted items only. State basis of exclusions for corporation's occupancy of its own buildings.

(h) Includes \$.00 interest on surplus notes and \$.00 interest on capital notes.

PART 4A - CAPITAL GAINS AND (LOSSES) ON INVESTMENTS

	1	2	3	4	5	6	7
	Realized Profit (Loss) on Sale or Maturity	Realized Foreign Exchange Profit (Loss) on Sale or Maturity	Other Realized Adjustment	Increase (Decrease) by Adjustment	Unrealized Foreign Exchange Gain (Loss)	Net Gain (Loss) from Change in Difference Between Book/Adjusted Carrying and Admitted Values	Total (Sum of Columns 1 to 6)
1. Government bonds.....							.....0
1.1 Other bonds (unaffiliated).....							.....0
1.2 Bonds of affiliates.....							.....0
2.1 Preferred stocks (unaffiliated).....							.....0
2.11 Preferred stocks of affiliates.....							.....0
2.2 Common stock (unaffiliated).....							.....0
2.21 Common stock of affiliates.....							.....0
3. Mortgage loans.....							.....0
4. Real estate.....				(a).....			.....0
5.1 Cash on hand and on deposit.....							.....0
5.2 Short-term investments.....							.....0
6. Other invested assets.....							.....0
7. Derivative instruments.....							.....0
8. Aggregate write-ins for capital gains and (losses).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0
9. TOTALS.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0
(Distribution of Line 9, Col. 7)							
10. Net realized capital gains or (losses) (Page 4, Line 23) (Line 9, Col. 1 + 2 + 3).....							.....0
11. Net unrealized capital gains or (losses).....							.....0

DETAILS OF WRITE-INS							
0801. ....							.....0
0802. ....							.....0
0803. ....							.....0
0898. Summ. of remaining write-ins for Line 8 from overflow page	.....0	.....0	.....0	.....0	.....0	.....0	.....0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Part 4A, Line 8)....	.....0	.....0	.....0	.....0	.....0	.....0	.....0

(a) Excluding \$.00 depreciation on real estate included in Part 4, Line 12.

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1	2	3
	End of Current Year	End of Prior Year	Change for Year (Increase) or Decrease
1. Summary of Items, Page 2, Lines 10 to 16 and 19 to 20, Column 2.....	63,951		(63,951)
2. Other nonadmitted assets:			
2.1 Furniture and equipment.....			0
2.2 Leasehold improvements.....			0
2.3 Amounts due from agents.....			0
3. Total (Lines 2.1 to 2.3).....	0	0	0
4. Loans on company stock.....			0
5. Aggregate write-ins for other than invested assets.....	4,176,255	4,039,126	(137,129)
6. Total (Line 1 plus Lines 3 through 5).....	4,240,206	4,039,126	(201,080)

DETAILS OF WRITE-INS

0501. Net Deferred Tax Assets / Liabilities.....	213,564	(109,863)	(323,427)
0502. Prepaid Expenses / Deposits.....	39,534	32,763	(6,771)
0503. Patient Files.....	95,492	148,983	53,491
0598. Summary of remaining write-ins for Line 5 from overflow page.....	3,827,665	3,967,243	139,578
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	4,176,255	4,039,126	(137,129)

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	.....22,183	.....23,322	.....24,540	.....26,095	.....25,732	.....294,802
2. Provider service organizations.....	.....	.....	.....	.....	.....	.....
3. Preferred provider organizations.....	.....	.....	.....	.....	.....	.....
4. Point of service.....	.....	.....	.....	.....	.....	.....
5. Indemnity only.....	.....	.....	.....	.....	.....	.....
6. Aggregate write-ins for other lines of business.....	.....0	.....0	.....0	.....0	.....0	.....0
7. Total.....	.....22,183	.....23,322	.....24,540	.....26,095	.....25,732	.....294,802

DETAILS OF WRITE-INS

0601. ....	.....	.....	.....	.....	.....	.....
0602. ....	.....	.....	.....	.....	.....	.....
0603. ....	.....	.....	.....	.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	.....0	.....0	.....0	.....0	.....0	.....0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Molina Healthcare of Michigan, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the State of Michigan, Office of Financial & Insurance Services ("OFIS").

OFIS recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Michigan Insurance Code. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures manual, version effective January 1, 2001, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the State of Michigan.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Expenses incurred in connection with acquiring new insurance business are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- 1) The Company's financial instruments include cash and cash equivalents and investments. The Company believes the carrying amounts of cash and cash equivalents approximate their fair value because of their high liquidity. The fair value of bonds and short-term investments are based on the fair values prescribed by the Securities Valuation Office ("SVO"). For certain investments for which the SVO does not provide an estimated fair value, the Company uses amortized cost as a substitute for estimated marked value, in accordance with prescribed guidance. As of December 31, 2001 and 2000, the estimated fair value of investments included investments totaling \$1,250,170 and \$1,201,555, respectively that were valued at amortized cost.
- 2) Unpaid losses and loss adjustment expenses include an amount determined from healthcare costs estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State of Michigan. Effective January 1, 2001, the State of Michigan required that insurance companies domiciled in the State of Michigan prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001 subject to any deviations prescribed or permitted by OFIS.

Accounting changes adopted to conform to the provisions of the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001, are reported as changes in accounting principles. There were no adjustments required to unassigned funds as a result of the adoption of the NAIC Accounting Practices and Procedures manual – Version effective January 1, 2001.

3. Business Combinations and Goodwill – None

4. Discontinued Operations – None

- 5. Investments – None
- 6. Joint Ventures, Partnerships and Limited Liability Companies– None
- 7. Investment Income –

The Company had no investment income that was excluded. All the Company’s investments and the income derived from such investments meet the criteria for admitted receivables.

- 8. Derivative Instruments – None
- 9. Income Taxes

A. The Company’s net deferred tax asset of \$213,564 is classified as Non-admitted assets as shown on the following schedule:

	12/31/2001	12/31/2000
1) Total of all deferred tax assets	465,876	142,449
2) Total of all deferred tax liabilities	252,312	252,312
3) Total deferred tax assets nonadmitted	213,564	(109,863)
4) Increase (decrease) in deferred tax assets	323,427	806,313

- B. N/A
- C. Current Federal Income Tax expense was \$636,300 for 2001 and (\$129,208) for 2000.
- D. There were no significant book to tax adjustments in 2001
- E. There were no loss carry forwards
- F. The Company’s Federal Income Tax returns consolidated with the following entities:

Molina Healthcare, Inc
Molina Healthcare of California
Molina Healthcare of Michigan
Molina Healthcare of Utah
Molina Advantage, Inc

Molina and its subsidiaries file a consolidated federal income tax return. Under a written Services agreement with the Molina, approved by the Board of Directors, Molina collects from or refunds to the subsidiaries the amount of taxes or benefits determined as if Molina and the subsidiaries filed separate returns.

- 10. Information Concerning Parent, Subsidiaries and Affiliates –

- A. The Company is a wholly owned subsidiary of Molina Healthcare of California, Inc. Molina Healthcare of California is a wholly owned subsidiary of Molina Healthcare, Inc. (Molina). Molina also has other wholly owned subsidiaries located in the states of Washington and Utah.
- B. The Company has an agreement with Molina whereby Molina provides certain management and other support services to the Company. Expenses incurred relating to this agreement amounted to \$725,400 in 2001 and \$350,000 in 2000.
- C. The Company did not declare or pay dividends during 2001.
- D. At December 31, 2001, the Company reported \$120,900 payable to Molina for administrative services.
- E. There are no guarantees or undertakings for the benefit of an affiliate or related party.
- F. The Company paid Molina Advantage, a third party administrator and affiliate, \$333,545 for TPA services during 2001.
- G. Molina Healthcare of California, Inc. owns all outstanding shares of the Company. Molina Healthcare,

Inc., an insurance holding company domiciled in the State of California, owns all outstanding shares of Molina Healthcare of California.

- H. The Company owns no shares of Molina Healthcare of California, Inc.
- I. The Company owns no interest in either Molina Healthcare, Inc. or any of the other subsidiaries of the Molina.
- J. N/A

11. Debt – None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans –

- A. Defined Benefit Plan – The Company does not have a Defined Benefit Plan.
- B. Defined Contribution Plan – Employees meeting certain eligibility requirements may participate in the Company’s 401(k) plan. Contribution expense to the 401(k) plan totaled \$40,946 in 2001 and \$15,011 in 2000.
- C. Multiemployer Plans: The Company does not have a Multiemployer Plan.
- D. Consolidated/Holding Company Plans: The Company does not have a Consolidated/Holding Company Plan.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations –

- A. The Company has 200,000 shares of common stock authorized and 159,000 shares of common stock issued. Par value is \$1.
- B. The Company has no preferred stock.
- C. The laws of the State of Michigan limit the payment and declaration of extraordinary and ordinary dividends. As set forth in Michigan Insurance Code, dividends require prior approval of OFIS. Additionally, OFIS does will not approve dividends that are greater than 10% of a Plans’ surplus over one year period.
- D. The Company did not declare or pay dividends in 2002.
- E. There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.
- F. N/A.
- G. There is no stock held by the Company.
- H. N/A
- I. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:
 - i. Unrealized gains or losses: \$ 0
 - ii. Non admitted asset values: \$4,240,206
 - iii. For stock purchase warrants: \$0
- J. NA
- K. N/A
- L. N/A

14. Contingencies –

- A. Contingent Commitments – None

- B. Assessments – None
- C. Gain Contingencies – None
- D. All Other Contingencies

The Company is involved in legal proceedings, which are normal to its business. In the opinion of management, based upon current facts and circumstances known by the Company, the resolution of these matters should not have a material adverse effect on the financial position or results of operation of the Company.

15. Leases –

A. Lessee Operating Lease

- 1) The Company leases office space, furniture and fixtures and office equipment under various leasing agreements.
- 2) At January 1, 2002, the minimum aggregate rental commitments are as follows:

Year Ending December 31	Operating Leases
2002	\$153,122
2003	\$ 31,823
2004	\$5,360
2005	
2006	

- 3) The Company is not involved in any material sales-leaseback transactions

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk – None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables reported as Sales – None
- B. Transfer and Servicing of Financial Assets – None
- C. Wash Sales – None

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans – None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators – None

20. Other Items – None

21. Events Subsequent – None

22. Reinsurance –

- A. The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expense and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company’s policyholder surplus.
- B. There are no reinsurance recoverables in dispute.
- C. There is no maximum amount of return commission, which would have been due to reinsurers if they or you had canceled all of your company’s reinsurance.
- D. There is no uncollectible reinsurance

E. The Company has reported in its operations in the current year a reinsurance recovery of \$19,162 from Gerber Life Insurance Company.

F. There was no Retroactive Reinsurance

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination – None

24. Salvage and Subrogation – None

25. Change in Incurred Claims and Claim Adjustment Expenses –

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years has decreased by \$1,246,120 in 2001 for prior years as a result of re-estimation of unpaid claims and claim adjustment expenses. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

26. Organization and Operation –

The Company is a state-licensed health maintenance organization (HMO) whose membership is exclusively Medicaid. The Company is currently managing over 25,700 Medicaid Members in 34 Counties within the State of Michigan.

The Company contracts with hospitals, physicians and other providers of health care, pursuant to discounted fee for service arrangements, including hospital per diems and Diagnostic Related Group (DRG) reimbursements under which providers bill the Company for each individual service provided to enrollees. The Company has capitation contracts with primary care providers (Capitated Providers) to provide health care services to enrollees. The Capitated Providers are at risk for the cost of medical care services provided to the Company's enrollees, however, the Company could be responsible for the provision of services to its enrollees should the Capitated Providers be unable to provide the contracted services. The Capitated Providers are paid a fixed amount per enrollee.

27. Minimum Net-Worth Requirements –

Under the laws of the State of Michigan, the Company is required to meet the standards set forth in NAIC's Risk-Based Capital (RBC) requirements. Under those requirements, the amount of capital maintained by the Company is to be determined based on the various risk factors related to it. At December 31, 2001, the Company exceeded the RBC requirements as shown below

Comparison of Total Adjusted Capital to Risk-Based Capital

Total Adjusted Capital	\$ 5,957,390
Company Action Level = 200% of Authorized Control Level	\$ 3,865,744
Regulatory Action Level = 150% of Authorized Control Level	\$ 2,899,308
Authorized Control Level = 100% of Authorized Control Level	\$ 1,932,872
Mandatory Control Level = 70% of Authorized Control Level	\$ 1,353,010

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....		0.0		0.0
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....		0.0		0.0
1.22 Issued by U.S. government sponsored agencies.....		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations...		0.0		0.0
1.43 Revenue and assessment obligations.....		0.0		0.0
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....		0.0		0.0
1.512 Issued by FNMA and FHLMC.....		0.0		0.0
1.513 Privately issued.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC.....		0.0		0.0
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC.....		0.0		0.0
1.523 All other privately issued.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....		0.0		0.0
2.2 Unaffiliated foreign securities.....		0.0		0.0
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated.....		0.0		0.0
3.42 Unaffiliated.....		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....		0.0		0.0
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....		0.0		0.0
5.3 Property held for sale (\$.....0 including property acquired in satisfaction of debt).....		0.0		0.0
6. Policy loans.....		0.0		0.0
7. Receivables for securities.....		0.0		0.0
8. Cash and short-term investments.....	14,048,081	100.0	14,048,081	100.0
9. Other invested assets.....		0.0		0.0
10. Total invested assets.....	14,048,081	100.0	14,048,081	100.0

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [X]

No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X]

No []

N/A []

1.3

State regulating?

California

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes []

No [X]

2.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

N/A

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

N/A

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

N/A

3.4

By what department or departments?

N/A

4.1

During the period covered by this statement, did any agent, broker, sales representative, nonaffiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes []

No [X]

4.12

renewals?

Yes []

No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes []

No [X]

4.22

renewals?

Yes []

No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes []

No [X]

5.2

If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes []

No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes []

No [X]

7.2

If yes,

7.21

State the percentage of foreign control.

.....0.000

7.22

State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES (continued)

8.

What interest, direct or indirect, has this reporting entity in the capital stock of any other insurance company?
None
9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young
725 South Figueroa Street, Los Angeles, CA 90017-5418
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Milliman & Roberson, Inc.
1301 Fifth Avenue, Suite 3800, Seattle, WA 98101-2605
11.

Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement?

Yes [☐]

No [☒]
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [☐]

No [☐]
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes [☐]

No [☐]
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [☐]

No [☐]

N/A [☐]
13.

Have the instructions for completing the blank required by this department been followed in every detail?

Yes [☒]

No [☐]

BOARD OF DIRECTORS

14.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes [☒]

No [☐]
15.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes [☒]

No [☐]
16.

Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement, any commission on the business transactions of the reporting entity?

Yes [☐]

No [☒]
17.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?

Yes [☐]

No [☒]

FINANCIAL

- 18.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11

To directors or other officers

\$.....0
- 18.12

To stockholders not officers

\$.....0
- 18.13

Trustees, supreme or grand (Fraternal only)

\$.....0
- 18.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21

To directors or other officers

\$.....0
- 18.22

To stockholders not officers

\$.....0
- 18.23

Trustees, supreme or grand (Fraternal only)

\$.....0
- 19.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes [☐]

No [☒]
- 19.2

If yes, state the amount thereof at December 31 of the current year:
- 19.21

Rented from others

\$.....0
- 19.22

Borrowed from others

\$.....0
- 19.23

Leased from others

\$.....0
- 19.24

Other

\$.....0
- Disclose in the Notes to Financial the nature of each obligation.
- 20.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [☐]

No [☒]
- 20.2

If answer is yes:
- 20.21

Amount paid as losses or risk adjustment

\$.....0
- 20.22

Amount paid as expenses

\$.....0
- 20.23

Other amounts paid

\$.....0

GENERAL INTERROGATORIES (continued)

INVESTMENT

21.1 List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred.....	.....	.....	.....	.....	...Yes [].....No []...	...Yes [].....No []...
Common.....	.....200,000.000	.....159,000.000	.....1.00	.....XXX.....	.....XXX.....	.....XXX.....

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 2-Special Deposits? Yes [X] No []

22.2 If no, give full and complete information relating thereto.

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 2-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 23.2) Yes [] No [X]

23.2 If yes, state the amount thereof at December 31 of the current year:

23.21 Loaned to others

23.22 Subject to repurchase agreements

23.23 Subject to reverse repurchase agreements

23.24 Subject to dollar repurchase agreements

23.25 Subject to reverse dollar repurchase agreements

23.26 Pledged as collateral

23.27 Placed under option agreements

23.28 Letter stock or securities restricted as to sale

23.29 Other

\$.....0

\$.....0

\$.....0

\$.....0

\$.....0

\$.....0

\$.....0

\$.....0

\$.....0

23.3 For each category above, if any of these assets are held by others, identify by whom held:

23.31

23.32

23.33

23.34

23.35

23.36

23.37

23.38

23.39

For categories (23.21) and (23.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

23.4 For category (23.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

25.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

GENERAL INTERROGATORIES (continued)

OTHER

26.1

Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$.....16,546

26.2

List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Michigan Association of Health Plans	16,546

27.1

Amount of payments for legal expenses, if any?

\$.....0

27.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Legal Support Provided by Corporate Legal Department	

28.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$.....0

28.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

29.

What officials and heads of departments of the reporting entity supervised the making of this report?

Michael Tegler, CFO

30.1

Has any direct new business been solicited or written in any state where the reporting entity was not licensed?

Yes []

No [X]

30.2

If yes, explain:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [☐]

No [☒ X]

1.2

If yes, indicate premium earned on U.S. business only

\$.....0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$.....0

1.31Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$.....0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$.....0

1.6

Individual policies:

Most current three years:

1.61Total premium earned

\$.....0

1.62Total incurred claims

\$.....0

1.63Number of covered lives

.....0

All years prior to most current three years:

1.64Total premium earned

\$.....0

1.65Total incurred claims

\$.....0

1.66Number of covered lives

.....0

1.7

Group policies:

Most current three years:

1.71Total premium earned

\$.....0

1.72Total incurred claims

\$.....0

1.73Number of covered lives

.....0

All years prior to most current three years:

1.74Total premium earned

\$.....0

1.75Total incurred claims

\$.....0

1.76Number of covered lives

.....0

2.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [☐]

No [☒ X]

2.2

If yes, give particulars:

3.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes [☒ X]

No [☐]

3.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [☐]

No [☒ X]

4.1

Does the reporting entity have stop-loss reinsurance?

Yes [☒ X]

No [☐]

4.2

If no, explain:

4.3

Maximum retained risk (see instructions)

4.31

Comprehensive medical

\$.....0

4.32

Medical only

\$.....100,000

4.33

Medicare supplement

\$.....0

4.34

Dental

\$.....0

4.35

Other limited benefit plan

\$.....0

4.36

Other

\$.....0

5.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Plan has hold harmless provisions in every provider agreement: PCP, Specialty, Hospital and Ancillary

6.1

Does the reporting entity set up its claim liability for provider services on a service data base?

Yes [☒ X]

No [☐]

6.2

If no, give details:

7.

Provide the following information regarding participating providers:

7.1

Number of providers at start of reporting year

.....1,548

7.2

Number of providers at end of reporting year

.....901

8.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [☐]

No [☒ X]

8.2

If yes, direct premium earned:

8.21Business with the rate guarantees between 15-36 months

\$.....0

8.22Business with rate guarantees over 36 months

\$.....0

9.1

Does the reporting entity have Bonus/withhold arrangements in its provider contracts?

Yes [☒ X]

No [☐]

9.2

If yes:

9.21Maximum amount payable bonuses

\$.....0

9.22Amount actually paid for year bonuses

\$.....0

9.23Maximum amount payable withholds

\$.....483,167

9.24Amount actually paid for year withholds

\$.....0

10.

List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Alpena, Arenac, Bay,
Crawford, Gladwin, Gratiot, Huron,
Ionia, Iosco, Kent, Lake, Manistee,
Montmorency, Muskegon, Newaygo, Oceana,
Ogenaw, Oscoda, Otsego, Ottawa, Presque Isle,
Mecosta, Midland, Missaukee, Montcalm,
Roscommon, Saginaw, Sanilac, Tuscola, Wexford,
Wayne, Oakland Macomb, Mason

FIVE-YEAR HISTORICAL DATA

	1 2001	2 2000	3 1999	4 1998	5 1997
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 23).....	17,445,379	12,260,453	10,020,467		
2. Total liabilities (Page 3, Line 18).....	11,487,989	9,399,789	7,446,163		
3. Statutory surplus.....	5,798,390	1,000,000	1,000,000		
4. Total capital and surplus (Page 3, Line 26).....	5,957,390	2,860,664	2,574,304		
Income Statement Items (Page 4)					
5. Total revenues (Line 7).....	43,345,256	32,218,976	20,432,894		
6. Total medical and hospital expenses (Line 14).....	35,961,106	27,449,927	17,305,231		
7. Total administrative expenses (Line 18).....	5,831,704	5,724,712	2,512,536		
8. Net underwriting gain (loss) (Line 21).....	1,192,996	(955,663)	615,127		
9. Net investment gain (loss) (Line 24).....	352,227	368,762	136,286		
10. Total other income (Lines 25 plus 26).....	232,766	41,028	5,446		
11. Net income or (loss) (Line 27).....	1,777,989	(416,666)	1,058,545		
Risk-Based Capital Analysis					
12. Total adjusted capital.....	5,957,390	2,860,664			XXX
13. Authorized control level risk-based capital.....	1,932,872	1,469,197			XXX
Enrollment (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7).....	25,732	22,183	23,077		
15. Total member months (Column 6, Line 7).....	294,802	271,336	171,180		
Operating Percentage (Page 4) (Item divided by Page 4, Line 2)					
16. Premiums earned (Line 2).....	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 14).....	83.0	85.2	84.7		
18. Total underwriting deductions (Line 20).....	97.2	103.0	96.9		
19. Total underwriting gain (loss) (Line 21).....	2.8	(3.0)	3.0		
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 11, Col. 5).....	7,414,816	5,142,977	701,144		
21. Estimated liability of unpaid claims - prior year (Line 11, Col. 6)	8,660,936	4,278,000	701,144		

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2001	2 2000	3 1999	4 1998	5 1997
Investments in Parent, Subsidiaries and Affiliates					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1).....					
23. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1).....					
24. Affiliated common stocks (Sch D. Summary, Line 53, Col. 2).....					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11).....					
26. Affiliated mortgage loans on real estate.....					
27. All other affiliated.....					
28. Total of above Lines 22 to 27.....	0	0	0	0	0

NONE

SCHEDULE D - SUMMARY BY COUNTRY
Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States.....				
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	0	0	0	0
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....				
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	0	0	0	0
Public Utilities (unaffiliated)	17. United States.....				
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....				
	22. Canada.....				
	23. Other Countries.....				
	24. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals.....				
	26. Total Bonds.....		0	0	0
PREFERRED STOCKS Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. Total Preferred Stocks.....	0	0	0	
COMMON STOCKS Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. Total Common Stocks.....	0	0	0	
	55. Total Stocks.....	0	0	0	
	56. Total Bonds and Stocks...	0	0	0	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....0.

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year.....	_____	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	_____	6.1 Column 17, Part 1.....	_____
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	_____
3.1 Column 16, Part 1.....	_____	6.3 Column 11, Part 2, Section 2.....	_____
3.2 Column 12, Part 2, Section 1.....	_____	6.4 Column 11, Part 4.....	0
3.3 Column 10, Part 2, Section 2.....	_____	7. Book/adjusted carrying value at end of current period.....	0
3.4 Column 10, Part 4.....	_____	8. Total valuation allowance.....	_____
4. Total gain (loss), Column 14, Part 4.....	_____	9. Subtotal (Lines 7 plus 8).....	0
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4...	_____	10. Total nonadmitted amounts.....	_____
		11. Statement value of bonds and stocks, current period.....	0

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

Company Code	ST	Fed ID #	Name of Company
00000	CA	33-0876972	Molina Healthcare, Inc.
|-00000	CA	33-0342719	Molina Healthcare of California, Inc.
|-52630	MI	38-3341599	Molina Healthcare of Michigan, Inc.
|-95502	UT	33-0617992	Molina Healthcare of Utah, Inc.
|-96270	WA	91-1284790	Molina Healthcare of Washington, Inc.
|-00000	UT	87-0641493	Molina Advantage, Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only			
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums
1. Alabama.....AL	.....No.....	.....No.....				
2. Alaska.....AK	.....No.....	.....No.....				
3. Arizona.....AZ	.....No.....	.....No.....				
4. Arkansas.....AR	.....No.....	.....No.....				
5. California.....CA	.....No.....	.....No.....				
6. Colorado.....CO	.....No.....	.....No.....				
7. Connecticut.....CT	.....No.....	.....No.....				
8. Delaware.....DE	.....No.....	.....No.....				
9. District of Columbia.....DC	.....No.....	.....No.....				
10. Florida.....FL	.....No.....	.....No.....				
11. Georgia.....GA	.....No.....	.....No.....				
12. Hawaii.....HI	.....No.....	.....No.....				
13. Idaho.....ID	.....No.....	.....No.....				
14. Illinois.....IL	.....No.....	.....No.....				
15. Indiana.....IN	.....No.....	.....No.....				
16. Iowa.....IA	.....No.....	.....No.....				
17. Kansas.....KS	.....No.....	.....No.....				
18. Kentucky.....KY	.....No.....	.....No.....				
19. Louisiana.....LA	.....No.....	.....No.....				
20. Maine.....ME	.....No.....	.....No.....				
21. Maryland.....MD	.....No.....	.....No.....				
22. Massachusetts.....MA	.....No.....	.....No.....				
23. Michigan.....MI	.....No.....	.....Yes.....			.....44,006,369.....	
24. Minnesota.....MN	.....No.....	.....No.....				
25. Mississippi.....MS	.....No.....	.....No.....				
26. Missouri.....MO	.....No.....	.....No.....				
27. Montana.....MT	.....No.....	.....No.....				
28. Nebraska.....NE	.....No.....	.....No.....				
29. Nevada.....NV	.....No.....	.....No.....				
30. New Hampshire.....NH	.....No.....	.....No.....				
31. New Jersey.....NJ	.....No.....	.....No.....				
32. New Mexico.....NM	.....No.....	.....No.....				
33. New York.....NY	.....No.....	.....No.....				
34. North Carolina.....NC	.....No.....	.....No.....				
35. North Dakota.....ND	.....No.....	.....No.....				
36. Ohio.....OH	.....No.....	.....No.....				
37. Oklahoma.....OK	.....No.....	.....No.....				
38. Oregon.....OR	.....No.....	.....No.....				
39. Pennsylvania.....PA	.....No.....	.....No.....				
40. Rhode Island.....RI	.....No.....	.....No.....				
41. South Carolina.....SC	.....No.....	.....No.....				
42. South Dakota.....SD	.....No.....	.....No.....				
43. Tennessee.....TN	.....No.....	.....No.....				
44. Texas.....TX	.....No.....	.....No.....				
45. Utah.....UT	.....No.....	.....No.....				
46. Vermont.....VT	.....No.....	.....No.....				
47. Virginia.....VA	.....No.....	.....No.....				
48. Washington.....WA	.....No.....	.....No.....				
49. West Virginia.....WV	.....No.....	.....No.....				
50. Wisconsin.....WI	.....No.....	.....No.....				
51. Wyoming.....WY	.....No.....	.....No.....				
52. American Samoa.....AS	.....No.....	.....No.....				
53. Guam.....GU	.....No.....	.....No.....				
54. Puerto Rico.....PR	.....No.....	.....No.....				
55. U.S. Virgin Islands.....VI	.....No.....	.....No.....				
56. Canada.....CN	.....No.....					
57. Aggregate Other alien.....OT	.....XXX.....	.....XXX.....	.....0.....	.....0.....	.....0.....	.....0.....
58. Total (Direct Business).....	.....XXX.....	(a).....1.....	.....0.....	.....0.....	.....44,006,369.....	.....0.....

DETAILS OF WRITE-INS

5701.				
5702.				
5703.				
5798. Summary of remaining write-ins for line 57 from overflow page.....	.....0.....	.....0.....	.....0.....	.....0.....
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....	.....0.....	.....0.....	.....0.....	.....0.....

(a) Insert the number of yes responses except for Canada and Other Alien.